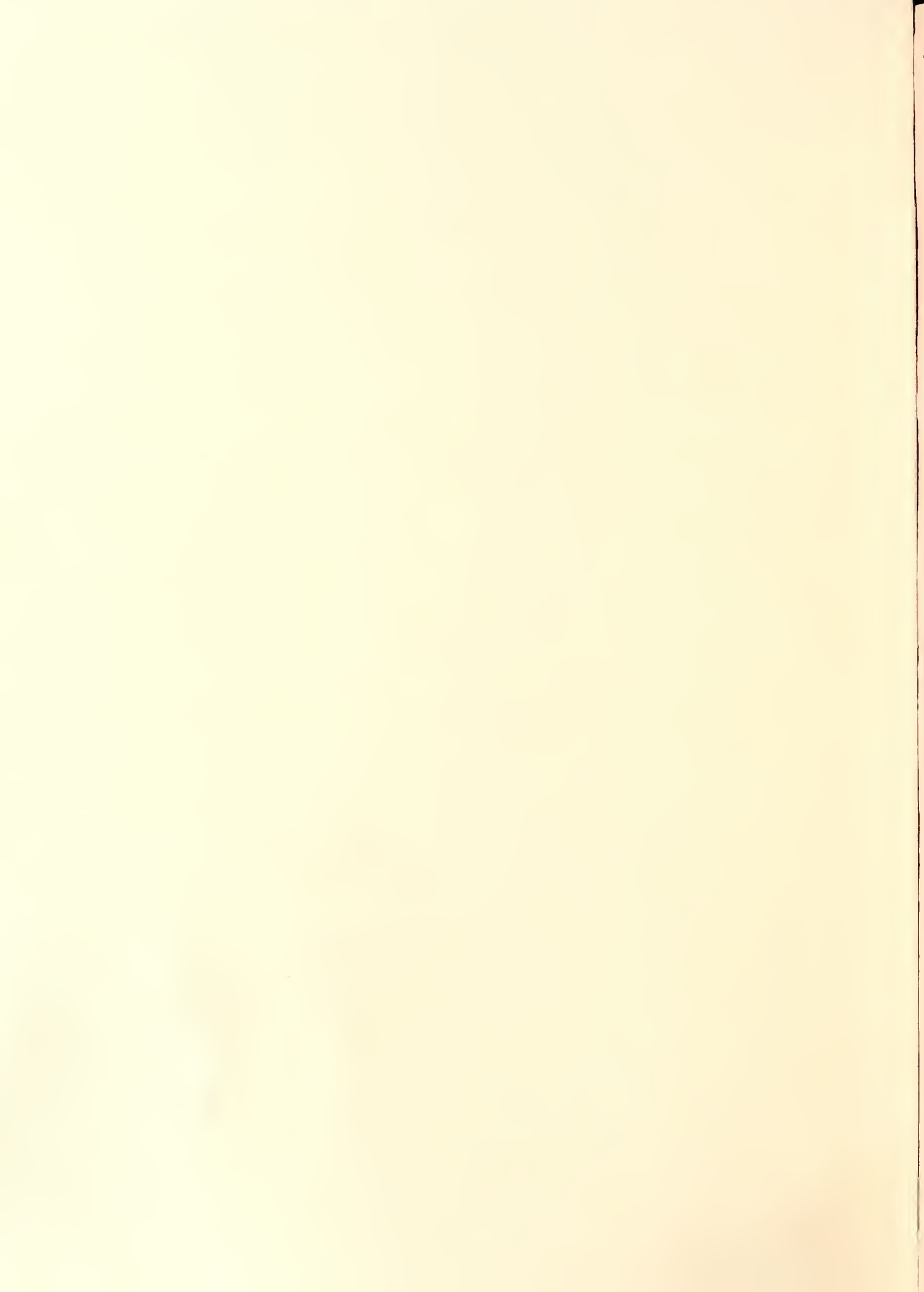


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



Reserve
A 780.3449 429
C.39

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKET AREA

Volume 20

SEPTEMBER 1975

Number 2

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - SEPTEMBER 1975

The Chattanooga Order MINIMUM uniform producer price is \$9.40 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 10.1 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$1.20 above September 1974 and an increase of 45 cents above August 1975.

In September 1975, 90.8% of producer milk received by pool plants was priced in Class I at \$9.50 per cwt., 6.8% was priced in Class II at \$8.37 per cwt. and 2.4% was priced in Class III at \$8.27 per cwt. for milk testing 3.5% butterfat. The September butterfat differential for all milk testing above or below 3.5% is 10.1 cents.

Total producer milk received at pool plants during September 1975 was 27,951,630 pounds which is an increase of 2,386,750 pounds or a daily average increase of 9.3% compared with September 1974. The September daily average deliveries from 540 producers was 1,725 pounds. This compares to 561 farms delivering a daily average of 1,519 pounds per day during September 1974.

USDA RECOMMENDS MERGING TWO NORTHEASTERN FEDERAL MILK ORDERS

A recommendation to amend and merge the Boston Regional and Connecticut federal milk marketing orders, and combining the marketing areas they now cover, has been announced by the U. S. Department of Agriculture (USDA). The proposed single order would be known as the New England federal milk marketing order. The hearing was requested by eight cooperative association representing over 80 percent of the producers supplying milk for the present Boston and Connecticut markets.

The hearing evidence showed that because of intermarket movements of milk, the marketing areas now covered by the separate orders are fast becoming a single market where handlers in both markets compete with each other in their procurement and sale of milk from farmers. At the same time, they are regulated by separate and sometimes differing milk order provisions under the present two orders. The merger would place all of the handlers on the same competitive basis in procuring milk and help contribute to a smooth flow of milk from the farm to processors and distributors.

The proposed merger is in line with a national trend toward fewer but more far-reaching orders. The orders set minimum prices, based on supply and demand, that milk dealers or handlers must pay to dairy farmers for milk. Important end-results are more orderly marketing conditions and reasonable prices for farmers, and a steady of supply of milk for consumers. About 80 percent of all fluid-grade milk in the United States is now marketed under federal orders.

COMPARISON OF MILK RECEIPTS AND UTILIZATION
(DAILY AVERAGE POUNDS)

	% Sept. '75 Over Sept. '74	Sept. 1975	Aug. 1975	Sept. 1974
Number of Plants - Pool		4	4	3
- Non-Pool		12	12	14
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	+ 9.3	931,721	965,577	852,163
- Other Source	+12.7	78,990	44,960	70,109
- Other Federal Order	+90.5	9,251	8,912	4,855
Non-Pool Plants - Cl. I Sales in Area	- 9.9	57,541	43,898	63,854
TOTAL MILK RECEIPTS	+ 8.7	1,077,503	1,063,347	990,981

UTILIZATIONClass I Uses

Homogenized Milk	+ 6.5	435,427	405,388	408,692
Lowfat - 2% Milk	+26.6	276,445	256,953	218,315
Skim Milk	- 2.4	20,424	19,816	20,930
Buttermilk	+ 4.9	58,643	58,570	55,914
Flavored Milk and Drink	+16.0	42,639	27,752	36,759
Sub-Total of Pkg. Items (Pool Plants)	+12.6	833,578	768,479	740,610
Other, Shrinkage	-36.2	573	5,027	898
Sales to Non-Pool Plants		17,227	6,837	-0-
In Area Sales by Non-Pool Plants	- 9.9	57,541	43,898	63,854
TOTAL CLASS I USAGE	+12.9	908,919	824,241	805,362

Class II Uses - Pool Plants Only

Sweet Creams - Routes	+ 9.5	2,298	2,557	2,098
Sour Cream and Dip - Routes	+21.0	1,754	1,645	1,449
Yogurt - Routes	+35.4	520	476	384
Frozen Desserts and Ice Milk Mixes	+20.5	88,461	95,419	73,387
Other, Cottage Cheese, Inventory, etc.	-13.6	42,123	59,877	48,758
Sales to Non-Pool Plants	+85.5	7,733	8,564	4,168
TOTAL CLASS II USAGE	+ 9.7	142,889	168,538	130,244

Class III Uses - Pool Plants Only

Animal Feed and Dumped	+ 4.2	6,933	6,767	6,652
Class III Shrinkage	+24.7	17,519	17,326	14,046
Inventory Variation		(10,915)	14,486	22,398
Other, Overage, etc.		75	74	52
Bulk Sales to Non-Pool Plants	- 1.2	12,083	31,915	12,227
TOTAL CLASS III USAGE	-53.6	25,695	70,568	55,375

IN AREA PACKAGE ROUTE DISPOSITION
BY POOL PLANTS AND NON-POOL PLANTS

Homogenized Milk	+ 2.3	330,166	304,480	322,854
Lowfat - 2% Milk	+31.7	198,815	175,853	150,937
Skim and 1% Milk	- 8.7	14,183	13,815	15,533
Buttermilk	+ 5.1	45,527	45,074	43,311
Flavored Milk and Drink	+13.1	34,183	20,532	30,214
Total Class I Disposition In-Area	+10.7	622,874	559,754	562,849

CLASS I PKG. ROUTE DISPOSITION

In-Area by Pool Plants	+13.3	565,333	515,856	498,995
In-Area by Non-Pool Plants	- 9.9	57,541	43,898	63,854

COMPUTATION OF WEIGHTED AVERAGE PRICE

Page 3

SEPTEMBER 1975	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	90.780	656,735	25,374,652	\$9.50	\$2,410,591.95
Class II Producer Milk	6.773	265,473	1,893,082	8.37	158,450.97
Class III Producer Milk	2.447	100,087	683,896	8.27	56,558.20
TOTAL PRODUCER MILK	100.000	1,022,295	27,951,630		\$2,625,601.12
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					-0-
Add Inventory Reclassification Charges					3,345.31
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					11,776.16
Total Utilization Value @ 3.5% Test			27,951,630	9.447473	\$2,640,722.59
Less Producer Settlement Fund Reserve			27,951,630	.047473	13,269.48
WEIGHTED AVERAGE PRICE @ 3.5% TEST			27,951,630	\$9.40	\$2,627,453.11

SEPTEMBER 1975 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 10.1¢ PER POINT (EXCLUDES PREMIUM)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$8.895	3.6	\$9.501	4.2	\$10.107	4.8	\$10.713	5.4	\$11.319
3.05	8.9455	3.65	9.5515	4.25	10.1575	4.85	10.7635	5.45	11.3695
3.1	8.996	3.7	9.602	4.3	10.208	4.9	10.814	5.5	11.42
3.15	9.0465	3.75	9.6525	4.35	10.2585	4.95	10.8645	5.55	11.4705
3.2	9.097	3.8	9.703	4.4	10.309	5.0	10.915	5.6	11.521
3.25	9.1475	3.85	9.7535	4.45	10.3595	5.05	10.9655	5.65	11.5715
3.3	9.198	3.9	9.804	4.5	10.41	5.1	11.016	5.7	11.622
3.35	9.2485	3.95	9.8545	4.55	10.4605	5.15	11.0665	5.75	11.6725
3.4	9.299	4.0	9.905	4.6	10.511	5.2	11.117	5.8	11.723
3.45	9.3495	4.05	9.9555	4.65	10.5615	5.25	11.1675	5.85	11.7735
3.5	9.40	4.1	10.006	4.7	10.612	5.3	11.218	5.9	11.824
3.55	9.4505	4.15	10.0565	4.75	10.6625	5.35	11.2685	5.95	11.8745

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1975, to establish a new milk base to be used in making payment to such producer during the months of March through July 1976. The 1976 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1, 1975 through January 31, 1976 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1975 through February 1976. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/		
	Per Hundredweight			Butterfat Diff.	Per Hundredweight		
	Uniform	Base	Excess		Class I	Class II	Class III
Sept. '74	\$8.20	-	-	7.8¢	\$8.44	\$6.79	\$6.69
Oct.	8.35	-	-	7.9	8.54	6.92	6.82
Nov.	8.66	-	-	7.9	8.84	6.86	6.76
Dec.	8.43	-	-	7.5	8.97	6.51	6.41
Jan. '75	8.56	-	-	7.7	8.91	6.90	6.80
Feb.	8.49	-	-	7.8	8.95	6.95	6.85
Mar.	8.44 2/	\$8.75	\$6.86	7.8	9.00	6.96	6.86
Apr.	8.48 2/	8.78	6.95	8.0	9.00	7.04	6.94
May	8.60 2/	8.88	7.04	8.0	9.01	7.12	7.02
June	8.61 2/	8.90	7.13	8.0	9.09	7.21	7.11
July	8.76 2/	9.12	7.40	8.8	9.17	7.45	7.35
Aug.	8.95	-	-	9.6	9.26	7.80	7.70
Sept.	9.40	-	-	10.1	9.50	8.37	8.27
Oct.	-	-	-	-	9.85	-	-
Nov.	-	-	-	-	10.42	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE					
	Chi. 92°	Chi. Area	Minn/Wisc.	Daily Average Pounds			Percentage Use		
	Butter	Powder	Mfg. Milk	Class	Class	Class	Per Class		
	¢ Lb.	¢ Lb.	Cwt. -3.5%	I	II	III	I	II	III
Sept. '74	67.71	56.93	\$6.69	729,330	71,550	51,283	85.6	8.4	6.0
Oct.	68.84	56.91	6.82	745,752	68,293	34,930	87.8	8.1	4.1
Nov.	68.88	56.94	6.76	782,226	56,786	32,846	89.7	6.5	3.8
Dec.	65.32	56.74	6.41	725,078	60,395	136,814	78.6	6.6	14.8
Jan. '75	66.82	56.73	6.80	764,045	72,610	84,210	83.0	7.9	9.1
Feb.	68.07	59.24	6.85	768,419	80,627	139,425	77.7	8.2	14.1
Mar.	68.07	60.58	6.86	738,878	82,184	181,403	73.7	8.2	18.1
Apr.	69.19	60.66	6.94	759,785	108,797	146,159	74.9	10.7	14.4
May	69.19	60.36	7.02	780,974	92,334	110,920	79.3	9.4	11.3
June	69.19	60.44	7.11	721,087	118,266	113,532	75.7	12.4	11.9
July	76.62	60.45	7.35	758,335	126,105	96,461	77.3	12.9	9.8
Aug.	83.56	61.44	7.70	774,089	122,771	68,717	80.2	12.7	7.1
Sept.	87.87	64.08	8.27	845,822	63,103	22,796	90.8	6.8	2.4

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Sept. '74	17	990,981	805,362	3	561	852,163	-	3.64	1,519
Oct.	18	1,009,566	848,006	4	517	848,975	-	3.77	1,642
Nov.	18	1,001,646	862,322	4	549	871,858	-	3.81	1,588
Dec.	18	1,030,894	790,484	4	616	922,287	-	3.94	1,497
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754
Feb.	19	1,108,305	836,919	4	601	988,471	-	3.85	1,645
Mar.	18	1,124,083	803,678	4	567	1,002,465	841,666	3.87	1,768
Apr.	18	1,122,545	825,321	4	562	1,014,741	854,515	3.78	1,806
May	18	1,101,844	846,701	4	557	984,228	840,125	3.74	1,767
June	18	1,057,279	772,728	4	570	952,885	802,710	3.71	1,672
July	18	1,097,026	811,262	4	625	980,901	782,023	3.64	1,569
Aug.	16	1,063,347	704,708	4	612	965,577	-	3.60	1,578
Sept.	16	1,077,503	908,919	4	540	931,721	-	3.66	1,725

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross minus Producer